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SPEECH BY CONGRESSMAN HOWARD L. BERMAN

“FOREIGN AID AT FIFTY”

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Thank you, Paul, for that very kind introduction and for your decades of public service. Though we come from opposite sides of the aisle and sometimes hold differing viewpoints, your commitment to democratic ideals and your willingness to speak truth to power are an inspiration to all of us. I am honored that you and the American Enterprise Institute, in partnership with the Brookings Institution, have invited me here to speak today.

At a time when our headlines are dominated by urgent problems and crises both at home and abroad – whether it’s jobs and the economy, the rebellion in Syria, famine in the Horn of Africa, or the upcoming U.N. General Assembly resolution on Palestinian statehood -- some might wonder why we’re focusing attention on foreign aid reform. The fact that so many of you are here today, from such a variety of communities with such diverse interests, suggests that you already know the answer:

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because our foreign assistance laws have a significant impact on our ability to respond to all of those issues.

This week we commemorate the 50th anniversary of the Foreign Assistance Act of 1961 and the creation of the Agency for International Development. On September 4, 1961, the Act was signed into law, and it has served ever since as the legislative framework for our international programs.

When President Kennedy proposed the Act, he complained of bureaucratic fragmentation, program incoherence, and obsolete, inconsistent and rigid laws.

Here we are, 50 years later, once again confronting many of the same ills and shortcomings that he so aptly identified.

Like all of you, I am outraged when I read reports that billions of dollars have been wasted or gone missing in Iraq and Afghanistan. It seems unconscionable that people are still living in plastic tarps on muddy lots in Haiti, without access to clean

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water or sanitation. And in some countries where the United States has shown remarkable generosity, there seems to be a burgeoning wave of anti-American sentiment. These examples are even more appalling in light of the vast and growing unmet needs at home.

It would be easy to look at all this, particularly in these tough economic times, and throw up our hands in despair. That, in fact, is what many have done in advocating indiscriminate cuts in our foreign assistance budget. But cutting blindly, without fixing the underlying problems, will only make things worse.

What President Kennedy recognized, and what is even more evident today, is that failure is not an option. There is no escaping our obligations, as he noted, not only because we are morally bound to meet them, but because our economic and political interests demand that we address widespread poverty and chaos in the world. The challenges we face today may be

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different, but as the events of September 11th demonstrate, the consequences of ignoring them are just as stark.

Today, even more than in 1961, our health, our security, and our prosperity are advanced by a world in which basic human needs are met, fundamental freedoms are respected, conflicts are resolved peacefully and the world's resources are used wisely. Our children cannot be safe when deadly diseases run rampant and the global environment is degraded. Our jobs will not grow if people in other countries cannot afford to buy the products we make. And our budget deficit will not shrink if we are called to respond militarily to urgent national security threats when we failed to take much simpler and less costly preventive measures.

In this period of belt-tightening and economic uncertainty, some seem to think that foreign assistance is a luxury we can no longer afford. However, with one out of five American jobs tied to international trade, and our fastest growing markets – accounting for roughly half of U.S. exports – located in

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developing countries, America can't afford a course of isolation and retreat. Our economic fate is interconnected with the rest of the world, and the collapse of developing economies will unavoidably mean our own decline.

Our creditors and competitors understand this. China is aggressively investing in the very countries that steep budget cuts may force us to abandon. Their motivation, unlike our desire for tangible outcomes, is simply to build goodwill and friendly relationships that will serve them in the future.

Regrettably, over the past year we have witnessed an increasingly destructive and divisive assault on our foreign assistance program and on U.S. international engagement more broadly. It is easy to find fault with the current system, but rather than taking cheap shots and mindlessly slashing programs, I believe it is incumbent upon us to find a responsible way to fix it.

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It makes no sense that under the current system we have to hire large contractors in Washington to give small grants to a women's cooperative in a West African village. Our diplomats shouldn't be sitting at their desks writing reports that duplicate information that is easily available on the Internet. There shouldn't be situations where two agencies are doing the same thing in the same place and aren't even aware of it – or worse yet, undermining each other's efforts.

I have said it before but it bears repeating: Aid is not a gift. The United States provides foreign assistance because it serves OUR interests. Helping countries become more democratic, more stable, more capable of defending themselves and better at pulling themselves out of poverty is just as important for us as it is for them. Our task therefore, is to make sure that we provide this assistance in the most efficient and effective way.

That is why today I am proposing, in draft form, the Global Partnerships Act of 2011. It would replace the Foreign Assistance Act of 1961, which sets the rules and procedures for

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economic and development assistance, as well as the Arms Export Control Act, which contains the authorities for arms sales and military assistance. Together, these Acts, like my proposed rewrite, cover the full spectrum of foreign assistance programs, from development to democracy to arms transfers. Each type of assistance has its own title, which describes the specific purposes, goals and objectives to be achieved.

This is a proposal that I have been working on with my staff for more than 3 years. It has been a long and complex process involving numerous consultations with interested groups, relevant committees, international partners, and federal agencies. We have held hearings and roundtable discussions, issued concept notes and discussion papers, solicited written feedback, visited programs in the field, and read the academic research. This draft encapsulates not only the direct feedback we've received in those forums, but also many of the recommendations of the Presidential Policy Directive on Global Development and the Quadrennial Diplomacy and Development Review, or QDDR, completed last December.

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I am releasing this proposal as a discussion draft rather than as a numbered bill to allow for additional input and suggestions. My hope is that it will create an opportunity for honest, open and constructive dialogue about how to make foreign assistance serve our national interests more efficiently and more effectively. I welcome and encourage all of you to participate in that dialogue.

The most fundamental change that this proposal would make is to transform the donor-recipient relationship to one of equal partners working toward mutually agreed and mutually beneficial goals. Instead of dictating what needs to be done from Washington, we will listen to what local citizens and our country Mission Directors are saying, and we will hold both sides accountable for achieving results. Instead of doing things “for” another country, we will build their capacity for self-sufficiency. Sometimes our partners will be national governments; other times we will join up with non-governmental organizations, businesses or local communities.

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But our aid is unlikely to have a long-lasting impact unless the people most directly affected feel that they have a stake in its success. That's what we call "country ownership", and that's why I'm calling this the "Global Partnerships Act".

Second, my proposal would convert assistance from an input-oriented process, where the primary issue is how much we spend, into an outcome-oriented process, where the focus is on what we achieve. Two programs that were initiated by the Bush Administration – the HIV/AIDS effort known as PEPFAR, and the Millennium Challenge Corporation or MCC – have successfully pioneered this approach. Congress would be consulted from the outset, to build consensus over goals and priorities and establish agreement on what would constitute success.

To make this transformation, my proposal brings more facts and evidence into the foreign aid process. Whether the purpose of our aid is to promote economic growth, stabilize a fragile peace, or ensure that a long-time ally is able to defend

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itself, our funding decisions should be based on reliable information about impact and performance rather than on hunches and assumptions. Without solid empirical data about what works, it is impossible to ensure that our money is being effectively spent and achieving the desired results. And without evidence that our programs are having a significant, positive impact, we will lose the support and confidence of the American people.

There is a danger, of course, that the desire for tangible results could be misconstrued as a preference for short-term gains that can be quantitatively measured. This would be a grave mistake. Development is a long-term process, and no amount of goal-setting, indicator-selection, or measurement will give us a quick win. Objectives like promoting democracy are notoriously difficult to measure, and impossible to impose from without. We must always remember that monitoring and evaluation are tools to an end, not substitutes for good policy.

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Let me say a few words about what you will NOT see in this proposal. The first thing is spending levels. That, in my view, would be a recipe for disaster. In fact, my proposal includes no money at all – no authorizations of funds, no mandatory spending, no entitlements, no recommended levels of appropriations. This proposal focuses on the WAY we provide assistance, rather than on how much or to whom. It would not supersede the regular appropriations process.

Further, we did not include country-specific or region-specific provisions, which would distract from the main purpose of creating a new structure for assistance.

That is not to say that the bill would have no regional impact or effect. My proposal would make it easier to seize fleeting windows of opportunity, like those of the Arab Spring, by creating greater flexibility for the administration to transfer funds from one region or one purpose to another. It would strengthen our ability to prevent conflicts from turning violent by requiring regular assessments and strategies for high-risk

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areas. It would require coordinated action plans for building democracy and protecting human rights in countries where fundamental freedoms are not respected. And it would create a new Emergency Humanitarian Response Fund with a self-financing mechanism to address urgent and unforeseen humanitarian disasters.

Finally, we have omitted for now a title containing overall restrictions and prohibitions. These will ultimately need to be added. The final bill will include the nuclear nonproliferation controls known as “Glenn-Symington”, and will ban assistance to governments that support terrorism or commit gross human rights abuses. I’m sure we will need to debate the merits of restrictions relating to the “social issues” which frequently enter the international discussion. But, like the regional provisions, the list of prohibitions is highly controversial, and I hope to postpone that discussion while we build bipartisan consensus on the general principles of reform.

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I am well aware of the skepticism that is out there about the chances of enacting foreign aid reform legislation in this political and economic climate. However, I remain convinced that now is the right time to put forward this proposal. Even if it doesn't move through the legislative process right away, it will lay the foundation for future action.

Releasing this now will also allow both sides to find common ground, and identify portions that might be able to be moved in short order. In the meantime, these ideas can serve to galvanize change and exert influence over policy. As an example, in the last Congress I introduced legislation requiring a Quadrennial Review of Diplomacy and Development and a National Strategy for Global Development, both of which the Administration vigorously opposed at the time. Though neither of those provisions came close to being enacted, the Administration shortly thereafter conducted the QDDR and issued a global development policy, showing that there is a lot of power in a good idea.

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It is critical that reform be made statutory. First, only legislation can make enduring changes to the underlying system. Second, there is a limit to how far internal transformation can go. The vast web of antiquated rules and tortuous procedures designed for a bygone era makes every minor change a major headache.

But most importantly, we need to build a degree of consensus and compromise that is absent when the Administration charts its own course. Proceeding without congressional buy-in only increases the chances that each initiative will be second-guessed, blocked or reversed.

To overcome the fear and inertia that have made progress on reform so elusive, we must begin by building public awareness and clearing up misperceptions about foreign assistance. Many Americans think the percentage of the federal budget that goes to foreign assistance is somewhere around 15 or 20, when it's really just over one percent. To the extent that people don't understand what foreign assistance does or how it

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helps them, or if they have no confidence that it works, they are not going to support funding it at all, particularly in this economic environment. The failure to communicate the importance of foreign assistance only leads to calls for more cuts while ignoring the real solutions.

That's the first place where many of the groups that are represented here today can help. You have the trust and respect of the American public, as well as the grassroots organization, to share your first-hand knowledge of what works and how it affects all of us. You can talk about how, in just two years, providing bed nets in Ethiopia cut malaria deaths in half. You can show how building separate latrines can increase girls' school enrollment by 15 percent or more. You can explain how a clear ballot box and some purple ink can bring down a corrupt regime.

But you can't stop there, because we know that it won't help to cut malaria deaths if there's not enough food to eat, and it won't help to increase girls' school enrollment if they can't

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pay the teachers. Our focus needs to turn to the long-term, overall impact, which can only be achieved when all our programs and each of the sectors are working in tandem.

Second, each of us needs to take a hard look at the way our own actions have contributed to the inefficiency we now seek to reverse. The system didn't get the way it is by accident. There was a long history of missteps and poor judgments that led to an increasing array of restrictions, conditions and regulations, which in turn put a straitjacket on our best talent and ideas. We measured success in terms of the earmarks we won rather than the lives we improved. In the end, this vicious cycle can only lead to waste, ineffectiveness, and increasing paralysis.

My proposal lays out a basic compromise: Congress gives the Administration greater flexibility in how to carry out programs. In exchange, the Administration gives Congress more information about what they are doing, and accepts more accountability for achieving results.

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Building the trust and cooperation needed for Congress to relax its grip and the Administration to share more information will no doubt be an arduous process. To succeed, we will need the support of outside groups which have often pushed for these earmarks and directives. The current scenario amounts to little more than a Prisoner's Dilemma, where individual gain comes at the expense of the common good.

For all these reasons, it's time to overhaul not just the legislation, but also the terms of the debate on foreign assistance. We must recognize both the historic achievements that have occurred with the help of our foreign aid programs – the eradication of smallpox from the face of the earth, the Asian miracle that began with the Green Revolution, the millions of lives that have been saved and the human rights that have been won – as well as the limits of our own power.

After years of effort, to which many of you have contributed, I am pleased to offer for your review a proposal which I think incorporates the best practices and lessons learned

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over the last half century. But it is important to remember that this is only a beginning, not the end, and right now there may be more questions than answers. The road ahead will not be an easy one, but our work together has laid the groundwork for progress in the future.

Let me now turn it over to Noam, who is Policy Director of the Brookings Foreign Assistance Reform project and has graciously agreed to moderate the question and answer session. I look forward to hearing your views and I welcome your questions.